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June 20, 2002

Ms. Denise Berger
AT&T
Room 12256
1200 Peachtree St. NE
Atlanta, GA 30309

Dear Denise:

This is a follow up to our May 15, 2002 lunch discussion, as well as a follow-up to Jim Schenk's May 29, 2002 interim letter to your May 17, 2002 letter, concerning AT&T's use of multiple company codes. Following is BellSouth's response to each question:

1. Types of AT&T orders presently falling out for manual processing

Service requests from AT&T that are affected by the multiple Access Customer Name Abbreviation (ACNA) problem are those orders placed by one AT&T/ACNA entity designating assignment to collocation arrangements with dissimilar ACNA information. This applies to all service requests that involve collocation when the ACNA of the ordering company does not match the ACNA of the collocation arrangement. In many locations, AT&T established its collocation arrangements with the ACNA "ATX", for AT&T, but places service requests to those collocation sites using the ACNA "TPM", for Teleport Communications Group. A list of these specific collocation sites is attached.

2. Define code causing BellSouth the problem

As stated above, the specific root cause of this problem is AT&T's service requests containing an ACNA that is in conflict with the ACNA of the collocation arrangement identified on the service request. AT&T should be aware that industry standards set by National Exchange Carrier Association (NECA) and Telcordia prescribe that all codes should be used consistently.

3. Causes for orders to "fall out" for manual handling

When a CLEC orders collocation space from BellSouth, the collocation "address" is established using the ACNA of the ordering CLEC, which is built into the cable identification (ID). It is BellSouth's policy not to accept assignments from CLECs other than the owner of the collocation space and associated cable assignments. Therefore, BellSouth's ordering and provisioning systems contains edits to prevent unauthorized assignment of its customers' collocation assets. As stated above, the service requests in question are issued by AT&T with ACNAs that do not match the ACNA of the collocation arrangement designated on the service

request and, as a result, appear as though AT&T is making assignments to a different CLEC's collocation space. BellSouth must take several "out-of-process" steps to accommodate AT&T's conflicting assignments, which have come about due to AT&T establishing collocation arrangements with BellSouth initially using the ACNA of "ATX" and then places service request to those collocation spaces using an ACNA of "TPM."

In the past, at AT&T's request, BellSouth created duplicate, additional collocation Access Customer Terminal Location (ACTL) Common Language Location Identification (CLLI) codes. This additional step has allowed BellSouth's service centers to process AT&T's Local Service Requests (LSR) without clarification. However, when the facility assignment on AT&T's service request does not match BellSouth's facility records of the collocation arrangements, additional facility assignment edits disrupt the order flow, requiring investigation of the mismatch, follow-up with the service center, and manual intervention to resolve the service order/records conflict.

4. Additional steps taken by BellSouth to process the orders

In addition to the steps required to create the supplemental ACTL CLLI code, as stated above, facility assignment errors must be investigated, reviewed with the service center and manually overridden before the order can be completed.

5. Date BellSouth realized the necessity to manually process and work around these specific types of orders

BellSouth has known from the outset that AT&T's request to make collocation facility assignments using conflicting ACNA information was outside of the process and required additional manual intervention to create the additional collocation ACTL CLLI codes and to resolve the downstream errors created by the conflicting information provided by AT&T.

6. Implementation of the "firewall" that prevents one company from using another's facilities or assets?

These edits have been in place by BellSouth since divestiture.

7. Number of orders falling out for manual handling each month due to the use of multiple company codes

AT&T has provided BellSouth a forecast of approximately 400 Unbundled Network Element (UNE) Loop orders per month for the next 6 months. Any of these orders placed with the ACNA "TPM" to collocation sites ordered with ACNA "ATX" are outside of the process and will require manual handling to complete, as would any interconnection trunk requests using the "ATX/TPM" ACNA combination.

8. Action planned by BellSouth as of June 15, 2002

As BellSouth advised AT&T on May 29, 2002, due to AT&T's expressed interest in pursuing the use of a single ACNA, BellSouth has elected to make no changes at this time on the existing collocation arrangements where duplicate collocation ACTL CLLI codes have been established. Please refer to the attached list of collocation sites for which supplemental ACTL CLLI codes were established.

9. Embedded base of customers/orders/facilities

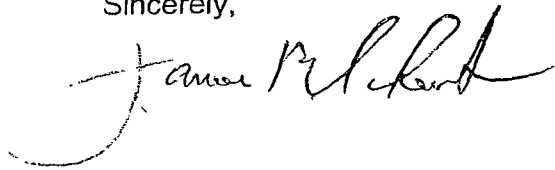
The embedded base of circuits would require a Transfer of Ownership to convert the ACNA to match the collocation ACNA. BellSouth's Professional Services team has procedures in place to manage the associated order activity.

10. Alternative solution

Currently, AT&T is negotiating with its BellSouth Collocation Account Team regarding the development of collocation inventories that will provide AT&T circuit details, including the circuit number and/or telephone number. BellSouth anticipates that the detail supplied would provide AT&T with more than enough information to identify the assets of each of AT&T's entities.

I hope the above information supports AT&T's understanding of the current out-of-process situation and its affects on AT&T's service order flow. Regarding your request for a meeting with all of BellSouth's Subject Matter Experts (SME) on this subject, I believe that you and Jan Flint agreed on June 11, 2002, that pending further investigation by BellSouth on a long-term solution to this issue, a meeting would not be productive at this time. If I can be of additional help, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Leland". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke extending to the left.

Attachment